

Message Text

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PAGE 01 THE HA 04320 031608Z
ACTION ACDA-12

INFO OCT-01 ARA-10 EUR-12 ISO-00 SAS-02 ACDE-00
CIAE-00 INR-10 IO-13 L-03 NSAE-00 NSC-05 EB-08
NRC-05 OES-09 SOE-02 DODE-00 DOE-15 SS-15 SP-02
CEQ-01 DOEE-00 SSO-00 PM-05 H-01 PA-01 ICA-11
AID-05 OMB-01 TRSE-00 COME-00 /149 W
-----076303 031655Z /42

P 031509Z AUG 78
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC PRIORITY 3106
INFO AMEMBASSY BONN
AMEMBASSY BRASILIA
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY VIENNA

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VIENNA FOR USIAEA, BRUSSELS FOR USEEC

E.O. 11652: N/A
TAGS: ENRG, NMUC, PARM, TECH, NL, GW, UK, BR, IAEA
SUBJECT: NON-PROLIFERATION: URENCO DELIVERIES OF ENRICHED
URANIUM FOR BRAZIL

REF: A) THE HAGUE 3944 B) THE HAGUE 3662

1. ECONOMICS MINISTER VAN AARDENNE SENT A LETTER TO
THE SECOND CHAMBER AUGUST 2 ENCLOSING THE TEXT OF
THE LETTER OF INTENT TO URENCO NEDERLAND (REFTEL A). IN
HIS COVERING LETTER, THE MINISTER NOTED THAT QUOTE AS
WAS CONFIRMED IN THE MEETING OF THE JOINT COMMITTEE ON
JULY 14, THE PREVIOUSLY EXISTING UNCERTAINTY REGARDING
THE NETHERLANDS POSITION IS ENDED. END QUOTE. HE
ALSO STATED THAT THE BUDGET FOR HIS MINISTRY PROVIDES
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FOR STATE GUARANTEES OF LOANS WHICH URENCO NEDERLANDS
WILL NOW SEEK IN ORDER TO CAPITALIZE THE EXPANSION OF
THE ALMELO ENRICHMENT CAPABILITY TO 600 TONS ANNUALLY:
THAT EXPANSION WILL BE FINANCED 50/50 BY RENCO NEDERLANDS
AND URANIT OF THE FRG.

2. THE LETTER OF INTENT (FULL TEXT BY SEPTTEL), AS

EXPECTED, STATES THAT EXPORT LICENSES WILL BE GRANTED FOR THE EXPORT OF ENRICHED URANIUM TO THE FRG, BECAUSE FUEL FABRICATION WILL TAKE PLACE THERE, PROVIDED IT CAN BE SHOWN THAT THESE DELIVERIES WILL BE SUBJECT TO THE FRG/BRAZIL/IAEA SAFEGUARDS AGREEMENT, AND PROVIDED SUFFICIENT PROGRESS HAS BEEN MADE TO ENSURE THAT A PLUTONIUM STORAGE REGIME WILL BE OPERATIVE BY THE TIME BRAZIL BEGINS REPROCESSING OF THE ENRICHED URANIUM SUPPLIED BY URENCO.

3. ON THE SAME DAY, A STORY WAS BROADCAST OVER VARA RADIO THAT BRAZIL IS ALREADY BUILDING NUCLEAR WEAPONS. THE STORY WAS BASED ON A REPORT FILED BY THE VARA CORRESPONDENT IN BRAZIL (IT WAS APPARENTLY ONLY COINCIDENTAL THAT THE TWO DEVELOPMENTS OCCURRED THE SAME DAY, INASMUCH AS THE CORRESPONDENT COULD NOT HAVE KNOWN OF THE PUBLICATION OF THE VAN AARDENNE LETTER AT THE TIME HE FILED HIS REPORT). MFA OFFICIALS HAVE PRIVATELY DESCRIBED THE CORRESPONDENT AS "VERY UNRELIABLE" AND NOTED HE HAD FILED A STORY A YEAR AGO THAT BRAZIL WAS READY TO SIGN THE NON-PROLIFERATION TREATY, WHICH PROVED INACCURATE.

4. AS COULD BE EXPECTED, THE BRAZILIAN REPORT HAS CREATED A CERTAIN INTEREST AMONG THE OPPONENTS OF THE SALE. LABOR PARTY SECOND CHAMBER MEMBER TER BEEK SAID HE WOULD SUBMIT A QUESTION TO THE GOVERNMENT CALLING FOR A FULL LIMITED OFFICIAL USE

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INVESTIGATION AND WOULD DEMAND THAT THE EXCHANGE OF NOTES (WHICH MFA OFFICIALS TELL US IS SCHEDULED TO TAKE PLACE WITHIN THE NEXT TWO WEEKS) BE ACCOMPANIED BY AN UNCONDITIONAL STATEMENT BY BRAZIL THAT IT HAS NO NUCLEAR WEAPONS AND WILL NOT ACQUIRE THEM. SECOND CHAMBER MEMBER VAN HOUWELINGEN OF THE CDA TERMED THE REPORT "SHOCKING" AND SAID THE WHOLE QUESTION MUST BE THOROUGHLY INVESTIGATED. SEVERAL OTHER POLITICAL OBSERVERS EXPRESSED THEIR UNEASE THAT THE EXCHANGE OF NOTES AND PUBLICATION OF TEXTS IS BEING DONE AT A TIME WHEN THE PARLIAMENT IS NOT IN SESSION AND MANY OFFICIALS, INCLUDING MINISTERS, ARE ON VACATION. BROWN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Litigation History:
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